DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER NORFOLK
700 ROBBINS AVE, BLDG 2B
PHILADELPHIA, PA 19111-5083

IN REPLY REFER TO

260.1A:DG
J&A#: 16-010

JUSTIFICATION AND APPROVAL FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. **Identification of Agency and Contracting Activity**: The requiring activity is the Assistant Secretary of the Navy, Financial Management & Comptroller ASN (FM&C), Washington DC; the contracting activity is the Navy Supply Systems Command Fleet Logistics Center Norfolk, Philadelphia Office (NAVSUP FLCN).

2. **Description of the Action Being Approved**: The purpose of this justification is to provide the approval to extend contract N00189-10-D-Z026 with Accenture Federal Services LLC. The contract is one of an existing set of Multiple Award Contracts (MAC) for Financial Improvement and Audit Readiness (FIAR). (Separate J&A's are being processed for each of the contracts under the MAC.) The extensions are necessary to allow sufficient time to process the follow-on MAC program. The ordering period under these MAC contracts expires 31 March 2016. The resultant modification will extend the ordering period through 30 September 2016, and include the option to extend the ordering period through 31 March 2017, if necessary. [redacted]

3. **Description of Supplies/Services**:

ASN (FM&C) through the Office of Financial Operations (FMO) is responsible for the monitoring and execution of the Department of the Navy (DON) FIAR program. The existing MAC provides contractor support in the following areas: 1) FIAR Support; 2) Program Management Support; 3) Financial Management and Accounting Operations; 4) Systems Support and 5) Training. The contract provides support throughout DON, and at other DOD organizations when required, primarily Defense Finance and Accounting Service (DFAS) Cleveland office. Contractor support is required to assist the DON financial and functional communities in accomplishing the required tasks necessary to achieve and maintain the FIAR goals and objectives. Resultant task orders for Navy requirements will be funded with FY16 or other appropriate Operations and Maintenance, Navy (O&M,N) funds; task orders for other non-Navy DOD requirements will be funded with FY16 or other appropriate Operations and Maintenance funds appropriate to those other non-Navy DOD requirements.

The resultant modification to contract N00189-10-D-Z026 will increase the ceiling amount of the contract to allow for a maximum of $90,000,000 worth of orders to be awarded under the contract during this bridge period. [redacted]

4. **Statutory Authority Permitting Other Than Full and Open Competition**: The statutory authority permitting other than full and open competition is 10 U.S.C. 2304(c)(1), One source or limited sources.

5. **Rationale Justifying Use of Cited Statutory Authority**: In accordance with the cited authority, the services are available from only the above-cited sources and no other services will satisfy the agency requirements. As noted above, the ordering period under the current contract expires on 31 March 2016. [redacted]

The Department of the Navy (DON) is under a Congressional mandate to achieve full financial statement auditability by the end of FY2017. The mandate requires the Office of the Assistant Secretary of the Navy (Financial Management and Comptroller) to lead the Department-wide preparation of four DON financial statements for audit by an outside accounting firm. In turn, to prepare these statements for audit involves continuing ongoing efforts to change DON-wide business processes and systems to comply with generally accepted accounting practices. This pervasive transformation effort involves thousands of business managers throughout the Department to change their procedures to comply with these standards. Continued contractor support is essential, without it, DON cannot continue its progress toward achieving the mandate. In short, without continuation of services, progress will be halted and DON's ability to comply with its Congressional mandate will be gravely jeopardized.

Only the current MAC holders can continue to provide the required services without a lapse in contractual coverage, because the MAC holders are the only sources with the personnel, expertise, and security clearances in place to be able to provide the services for the interim period of the bridge action.

6. **Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable**: A competitive, long-term follow-on is in process. [redacted]

The synopsis for this bridge action was published in the Government-wide point of entry on 13 February 2016.

7. **Determination of Fair and Reasonable Cost**: The Contracting Officer will determine the price negotiated for any task order issued during this extension is fair and reasonable. Task order requirements will be awarded in accordance with the procedures set forth in FAR 16.505.

8. **Actions to Remove Barriers to Future Competition**: The competitive follow-on is in process; thus, actions to remove barriers to future competition are underway. Market research for the competitive requirement indicated a number of prospective service providers. However, no market research was conducted for this interim contract action because only the current MAC holders have the personnel, expertise, and security clearances in place to be able to provide the required services for the interim period without a lapse in performance. No sources, other than the current MAC holders, have expressed an interest in the providing the interim services.

DFARS PGI 206.302-1(d), states "[w]hen utilizing the authority at FAR 6.302-1, the contracting officer shall post a request for information or a sources sought notice, and shall include the results of this inquiry in the justification required by FAR 6.303. This requirement to post may be waived by the Head of the Contracting Activity, or designee." Since a competitive follow-on is in process and sources have been sought via the solicitation, posting a sources sought notice in this case would be duplicative of the efforts previously done to compete the follow-on requirement. Accordingly, the HCA has approved a waiver of the requirement to post a request for information or a sources sought notice, and include the results of the posting in the justification as prescribed in DFARS PGI 206.302-1.

9. **Contracting Point of Contact**: The NAVSUP FLCN Contracting Officer is Ms. Rose McWilliams, rosemary.mcwilliams@navy.mil, 215-697-9740. The NAVSUP FLCN Contract Specialist is Mr. David Gagliardi, david.gagliardi@navy.mil, 215-697-9692.